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CORPORATION FILE



MAR 7 1925

NINTH
ANNUAL REPORT
OF
JEWEL TEA CO., INC.

1924

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NINTH

WORRIE ANNUAL REPORT

IN U.S.A.

JEWEL TEA CO., INC.

1824

JEWEL TEA CO., Inc.

GENERAL OFFICES
5 NORTH WABASH AVENUE
CHICAGO, ILLINOIS

DIRECTORS:

H. S. BOWERS	HERBERT H. LEHMAN
JOHN M. HANCOCK	F. P. ROSS
M. H. KARKER	ARTHUR SACHS
ARTHUR LEHMAN	CARY N. WEISIGER
O. B. WESTPHAL	

OFFICERS:

JOHN M. HANCOCK
Chairman of the Board of Directors

M. H. KARKER, President
O. B. WESTPHAL, Vice-President
A. VERNON JANNOTTA, Secretary
FRANK BAGLEY, Assistant Secretary
SIDNEY J. WEINBERG, Assistant Secretary
F. M. KASCH, Treasurer
R. T. PURDY, Assistant Treasurer
C. W. HELLBERG, Assistant Treasurer

TRANSFER AGENT:

IRVING BANK-COLUMBIA TRUST COMPANY, 60 Broadway, New York City

REGISTRAR:

LAWYERS TITLE & TRUST CO., 160 Broadway, New York City

AUDITORS:

TOUCHE, NIVEN & CO., Public Accountants
New York and Chicago

JEWELL TEA CO. INC.

2 NORTH WABASH AVENUE

CHICAGO, ILL.

OFFICERS

JOHN W. JEWELL

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JOHN W. JEWELL

MANAGERS

JOHN W. JEWELL

JOHN W. JEWELL

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BOARD OF DIRECTORS

JOHN W. JEWELL

MANAGERS

JOHN W. JEWELL

MANAGERS

JOHN W. JEWELL

JOHN W. JEWELL

JEWEL TEA CO., INC.,

5 North Wabash Avenue,

Chicago, Ill., February 21, 1925.

To the Stockholders:

The Balance Sheet for the year ending December 27, 1924, together with a statement of the Income and Surplus Account, is herewith presented.

For the year 1924 total sales increased 8.35% and sales per route increased 5.62%. The number of routes increased from 998 to 1032. This moderate expansion will be continued during the coming year.

Total inventories increased \$283,075.66. However, the inventory of green and roasted coffee alone increased \$349,676.09. This increase in the inventory of coffee was due to higher costs and there has been some reduction in other inventory items. The coffee market was very erratic during the year 1924, the cost of green coffee increasing over 100% during the year.

The company's cash position has been improved. Cash not required in the conduct of current business has been converted into short term marketable paper. The total of cash and marketable securities increased about \$940,000.00 during the year. The ratio of current assets to total liabilities was 3.59 at the end of 1924, as compared with 3.13 at the end of 1923.

The deficit existing at the beginning of the year has been liquidated and the year closed with a net surplus of \$654,515.19. Net profits for the year, after taxes, were \$855,076.02, showing earnings on the preferred at the rate of \$23.49 per share and, on the common, at the rate of \$5 per share after providing for the current 7% dividend on the preferred stock.

At a special meeting on January 27, 1925, the stockholders authorized a change of common stock from \$100 par value per share to no par value. This change, and the position of the company, made it possible for the directors, at a meeting on February 11, 1925, to resume the regular quarterly dividend of \$1.75 per share on the preferred stock and to declare an additional payment of \$2.50 per share to apply on the dividends in arrears, both payable on April 1, 1925, to stock of record March 20, 1925.

The results for the year are very gratifying and the management gratefully acknowledges the loyalty and support of all stockholders and employees.

M. H. KARKER, President.

For the Board of Directors:

JOHN M. HANCOCK,
Chairman.

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JEWEL TEA CO. BALANCE SHEET—DECEMBER 31, 1924

ASSETS

CURRENT ASSETS:

Cash	\$	518,988.71	
Marketable securities, including Company's preferred and common stock held for employees.....			953,484.26
Accounts and notes receivable:			
Accounts receivable, customers	\$	346,438.32	
Accounts and notes receivable other than customers		100,199.29	
	\$	446,637.61	
Less Reserve for doubtful accounts		115,827.11	
			330,810.50
Inventories at cost or market, whichever is lower:			
Products merchandise	\$1,749,095.35		
Premium merchandise	494,569.65		
			2,243,665.00
Trust fund investments (surety deposits, per contra)		58,626.61	
			\$ 4,105,575.08

DEFERRED CHARGES:

Premium merchandise (at cost) advanced to customers	\$	701,714.44	
Less Reserve for doubtful accounts		169,384.58	
	\$	532,329.86	
Inventory of expense supplies.....		22,804.55	
Unexpired insurance premiums and prepaid expenses.....		24,546.05	
Improvements on leased property, etc.....		41,550.63	
			621,231.09

CAPITAL ASSETS:

Machinery, furniture and fixtures at plants.....	\$	412,625.53	
Delivery and branch equipment		621,222.12	
	\$1,033,847.65		
Less Reserve for depreciation		322,183.51	
	\$	711,664.14	

<u>GOODWILL</u>	12,000,000.00		
			12,711,664.14
			<u>\$17,438,470.31</u>

We have audited the books and accounts of the JEWEL TEA CO., INC., for the year ended December 31, 1924, and surplus account are in accordance therewith, and exhibit, in our opinion, a correct statement of the year then ended.

CHICAGO, February 14, 1925.

A CO., INC.

DECEMBER 27, 1924

LIABILITIES

CURRENT LIABILITIES:

Letters of credit and acceptances.....	\$ 781,993.60	
Accounts payable	100,210.42	
Sundry accruals	73,763.47	
Federal income taxes (year 1924)	129,321.02	
Surety deposits (Trust fund investments per contra)	58,626.61	
	<hr/>	\$ 1,143,915.12

CAPITAL STOCK:

Authorized and issued—

7% Cumulative preferred stock, 36,400 shares at \$100.00 each.....	\$ 3,640,000.00	
Common stock—120,000 shares of \$100.00 each.....	12,000,000.00	
	<hr/>	15,640,000.00

<u>SURPLUS ACCOUNT</u> (per annexed statement)	654,555.19
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CONTINGENT LIABILITY:

For letters of credit issued against coffee on contracts not shipped at

December 27, 1924	\$ 236,735.00
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Note:—Preferred stock dividend in arrears since October 1, 1919;
cumulative amount at January 1, 1925..... \$ 1,337,700.00

\$17,438,470.31

December 27, 1924, and hereby certify that the above balance sheet and accompanying income
statement of the financial position of the Company at that date and the results of operations for

TOUCHE, NIVEN & CO.,
Public Accountants.

JEWEL TEA CO., INC.

INCOME AND SURPLUS ACCOUNT

YEAR ENDED DECEMBER 27, 1924

NET SALES	\$13,602,744.81
LESS COST OF SALES, including raw materials, labor, supplies, operating expenses, depreciation, etc.	12,828,936.95
NET PROFIT FROM OPERATIONS	\$ 773,807.89
OTHER INCOME:	
Profit on sales to wholesale customers and others.....	\$67,796.93
Miscellaneous income including subleases.....	54,591.00
Interest and discount	88,201.22
	<u>210,589.15</u>
NET PROFIT before providing for Federal income taxes.....	\$ 984,397.04
LESS Reserve for Federal income taxes	129,321.02
NET PROFIT FOR THE YEAR.....	\$ 855,076.02
LESS Deficit at December 29, 1923.....	200,520.83
SURPLUS BALANCE, December 27, 1924.....	<u>\$ 654,555.19</u>

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